GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agrl. & Coop. Departent - Horticulture - APMIP-(PMKSY-Micro Irrigation) 2017-18 - Implementation in the post GST regime – Extension of financial support to farmers towards tax portion in post GST regime to the extent of VAT on micro irrigation – Orders – Issued.

AGRICULTURE AND COOPERATION (HORTI.) DEPARTMENT

G.O.RT.No. 326 Dated: 11-05-2018

Read the following :-

1. Govt.Memo.No.4488/Horti./A2/2005-4, dated : 21-04-2005.
2. From the Commissiioner of Hortiuclture, A.P., Guntur Lr.No.APMIP/ 66/3003, dated : 10.8.2005.
3. Notification of Goods and Service Tax (GST) of Govt. of India
4. From the Commissioner of Horticulture, A.P., Guntur Lr.No.APMIP/Tech/ 1483/2017dt.30.8.2017.
5. Minutes of GST Council in its 21st Meeting held on 09.09.2017.
6. Govt.Memo.No.AGST-28/228/2017 dated:16.10.2017.
7. Recommendation of the 25th GST Council meeting held on 18.01.2018

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O R D E R:

The Commissioner of Horticulture vide reference 4th read above requested the Government to extend financial support to the farmers towards tax portion in post GST regime to the extent of VAT(5% limited to Rs.5000/-) on micro irrigation in view of subsuming of the VAT and excise duty @ 12.5.% on raw material into Goods and Service Tax (GST) which has been inntroduced with effect from 1st July, 2017 by Government of India vide reference 3rd read above.

2. Government is bearing VAT(5%) portion on the system cost upto Rs.5000/- in pursuance to the orders issued by the Government vide reference 2nd read above, in addition to the subsidy ranging from 50% to 100% on system cost depending on the category and social status of the farmer in the pre-GST regime.

3. Further vide reference 7th read above, GST Council in its 25th meeting held on 18.01.2018, the GST applicable on micro irrigation systems were reduced from 18% to 12% on the system cost w.e.f.26.1.2018.

4. The Government after careful examination of the proposal of the Commissioner of Horticulture hereby issued the following guidelines for implementation of Goods and Service Tax (GST) @18% w.e.f. 01.07.2017 and @12% from 26.01.2018 for micro irrigation under PMKSY in the State superseding the instructions in the reference 1st read above in view of subsuming of VAT(5%) and Excise duty @12.5% on raw material into GST.

i. To continue the financial assistance on micro irrigation system w.e.f. 1st July, 2017 to the extent of VAT (5% limited to Rs.5,000/-) and Excise Duty (12.5%) portion on raw material to the farmers in the pre-GST regime without any additional financial burden to the State Government.

ii) Further GST @ 12%, will be implemented w.e.f. 26th January, 2018 and the same financial support to the farmers shall be continued as stated above without additonal burden on the State Government from 26.1.2018 for the year 2017-18.

iii) For the financial year 2018-19 onwards, out of GST @ 12%, 6% shall be borne by the farmers and balance 6% by the State Government considering the financial burden on the farmers, prevailing drought conditons and multiple benefits of Micro Irrigation in terms of productivity enhancement, water use efficiency etc.

5. This order will come into force with immediate effect from the dates mentioned in this order.

6. The Commissioner of Horticulture, Andhra Pradesh, Guntur shall take further necessary action in the matter.

7. This order issues with the concurrence of Finance (FMU-A&CACS) Department vide their U.o.No.FIN.01-38027/FMU(A&CACS)/2017, dt.10.05.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY,
EX-OFFICIO SECRETARY TO GOVERNMENT (H&S)

To
The Commissioner of Horticulture, A.P., Guntur.
Copy to :
The P.S. to Addl.Secy. to C.M.
The P.S. to M (Fin.)
The P.S. to M (Agrl.).
SF/SC.

//FORWARDED BY ORDER//

SECTION OFFICER